



Federal Addendum to Contracts for a Restricted Locked-in Saving Plan (RLSP)

Upon receipt of the locked-in pension assets pursuant to the *Pension Benefits Standards Act, 1985 (Canada)* and in accordance with the instructions to transfer the assets to a Restricted Locked-In Savings Plan (RLSP), B2B Trust and the RLSP-holder agree that the provisions of this Addendum are appended to and form additional terms of the Contract for this retirement savings plan, as follows:

Definitions

1. For the purposes of this Addendum, the word "Act" means the *Pension Benefits Standards Act, 1985 (Canada)*, as amended and the word "Regulation" means Canada Regulation SOR/87-19, being the *Pension Benefits Standards Regulations 1985*, as amended.
2. All the terms in this Addendum which are used in the Act or the Regulation have the same meaning as in the Act or the Regulation. In this Addendum, "Contract", means the above-named retirement savings plan governed by the terms contained in the application form including the Declaration of Trust, as well as the additional terms contained in this Addendum. "Locked-in assets" means all the assets in the RLSP at any time and includes any interest or other earnings realized or accrued to that time.
3. The word "spouse" means a person who,
 - a) at the relevant time,
 - i. is married to the RLSP-holder, or
 - ii. is party to a void marriage with the RLSP-holder; or
 - b) if there is no person in subparagraph a),
 - i. is cohabiting with the RLSP-holder in a conjugal relationship,
 - ii. having cohabited with the RLSP-holder for at least one (1) year.

Notwithstanding anything to the contrary contained in the plan or this Contract, for the purposes of any provision of the *Income Tax Act (Canada)* respecting registered retirement savings plans, "spouse" does not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act (Canada)*.

Transfers

4. Subject to this Addendum the Locked-in assets may only be:
 - a) transferred to another RLSP or to a restricted life income fund (RLIF);
 - b) used to purchase an immediate or deferred life annuity; or
 - c) transferred to a pension plan, if the pension plan permits such a transfer and if the pension plan administers the benefit attributed to the transferred assets as if the benefit were that of the plan member with two (2) years' membership in the pension plan.
5. All transfers and payments from the RLSP are subject to:
 - a) the terms of the investments held;
 - b) the withholding of any applicable tax; and
 - c) the deduction of all fees, charges and disbursements in connection with the RLSP.

Withdrawals

YMPE-based Lump Sum Payment

6. In the calendar year in which the RLSP-holder reaches 55 years of age or in any subsequent calendar year, the funds may be paid to the holder in a lump sum if
 - a) The holder certifies that the total value of all assets in all locked-in registered retirement savings plans (Locked-in RRSP), LIFs, RLSPs, and RLIFs, that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by the Regulation is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and
 - b) If the holder provides a completed Form 2 and Form 3 of Schedule V of the Regulation to B2B Trust.

Financial Hardship

7. The RLSP-holder may withdraw assets in an amount up to the lesser of the amount determined by the formula $M + N$ and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any Locked-in RRSP, LIF, RLSP or restricted RLIF of the holder), where

M is the total amount of the expenditures that the holder expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and

N is the greater of zero and the amount determined by the formula

$P - Q$

where

P is 50% of the Year's Maximum Pensionable Earnings, and

Q is two thirds of the holder's total expected income for the calendar year determined in accordance with the Income Tax Act (Canada), excluding withdrawals in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any Locked-in RRSP, LIF, RLSP or RLIF of the holder)

and if

- a) the holder certifies that he/she has not made a withdrawal in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any Locked-in RRSP, LIF, RLSP or RLIF of the holder) other than within the last 30 days before this certification;
- b) in the event that the value of M is greater than zero,
 - (A) the holder certifies that he/she expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the holder's total expected income for that calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any Locked-in RRSP, LIF, RLSP or RLIF of the holder), and
 - (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required; and
- c) the holder gives a copy of Form 1 and Form 2 of Schedule V of the Regulation to B2B Trust.

Shortened Life Expectancy

8. If a physician certifies that owing to mental or physical disability the life expectancy of the holder is likely to be shortened considerably, the funds in the RLSP may be paid to the holder in a lump sum.

Death of the RLSP-Holder

9. On the death of the RLSP-holder, the Locked-in assets shall:

- a) if, prior to death, the RLSP-holder was a member or former member of the pension plan from which the assets originated and is survived by a spouse, be:
 - i. applied to purchase an immediate or deferred life annuity for the holder's spouse in accordance with paragraph 60(l) of the *Income Tax Act* (Canada);
 - ii. transferred to a Locked-in RRSP or to a RLSP for the spouse; or,
 - iii. transferred to a LIF or to a RLIF for the spouse; or
 - iv. transferred to a pension plan for the spouse, if the pension plan permits such a transfer and if the pension plan administers the benefit attributed to the transferred assets as if the benefit were that of a plan member with 2 years' membership in the pension plan; or
- b) if, as of the RLSP-holder's date of death, there is no spouse entitled to the assets pursuant to paragraph 9a), be:
 - i. paid to the RLSP-holder's designated beneficiary, or,
 - ii. if, no beneficiary has been designated in accordance with the Plan, paid to the RLSP-holder's estate.

Payment to Non-Resident

10. Locked-In Assets may be paid to the RLSP-holder if, according to information provided in a form and content satisfactory to B2B Trust, the following conditions are met:
- a) the RLSP-holder is a non-resident of Canada;
 - b) the RLSP-holder has been a non-resident of Canada for at least two calendar years; and
 - c) the RLSP-holder has ceased employment with the employer who was contributing to the pension plan which gave rise to the locked-in pension benefit credits.

Prohibition

11. Except as provided for in subsection 25(4) of the Act, the assets in the plan shall not be assigned, charged, anticipated or given as security and any transaction purporting to assign, charge, anticipate or give the assets as security is void.

Valuation

12. For the purpose of determining the value of the RLSP, including the valuation method used to establish its value on the death of the RLSP-holder or on the transfer of assets from the RLSP, the value of the contract shall be the fair market value of the contract at the relevant time.

Differentiation on the Basis of Sex

13. The pension benefit credit transferred pursuant to section 26 of the Act:
- was varied according to the sex of the plan member;
 - was not varied according to the sex of the plan member.

14. Where a pension benefit credit transferred into the plan was not varied according to the sex of the RLSP-holder, an immediate life annuity or a deferred life annuity purchased with Locked-in assets shall not differentiate as to sex.

Amendment

15. B2B Trust may from time to time in its discretion amend this Addendum by giving 30 days notice to the RLSP-holder. No amendment shall be made the RLSP unless the RLSP, as amended, remains in conformity with the Act and the Regulation and with section 146 of the *Income Tax Act* (Canada).

Please send completed Addendum to :

B2B Trust

130 Adelaide Street West, Suite 200, Toronto, Ontario M5H 3P5

Toll Free: 1.800.263.8349 or locally at 416.947.7427

b2btrust.com



B2B Trust Authorized Signature

Name of RLSP-holder

Signature of RLSP-holder

Date (mm/dd/yyyy)

Signature Guarantee
